

June 22, 2005

James Leonard
Chairman, Committee for the Implementation of Textile Agreements
Room H3100
U.S. Department of Commerce
14th and Constitution Ave, NW
Washington, DC 20230

Dear Mr. Leonard:

The American Manufacturing Trade Action Coalition (AMTAC), National Council of Textile Organizations (NCTO), National Textile Association (NTA), and UNITE HERE! request that the Committee for the Implementation of Textile Agreements (CITA) take the necessary actions to impose a safeguard on U.S. imports from China of cotton and man-made fiber curtains and drapery classified within Category 369/666 (partial) of the U.S. Textile and Apparel Category System. This request is made pursuant to the guidelines issued by CITA (68 F.R. 27788, May 21, 2003).

The parties submitting this request are trade associations and unions which are representative of either domestic producers of products like or directly competitive with cotton and man-made fiber curtains and drapery contained in Category 369/666 (partial) or of domestic producers of components used in the production of products that are like or directly competitive with those contained in Category 369/666 (partial).

For your background information, descriptions of each organization are as follows:

AMTAC is a not-for-profit manufacturing trade association established for the purpose of preserving and creating American manufacturing jobs through the establishment of trade policy and other measures necessary for the U.S. manufacturing sector to stabilize and grow. Its members are involved in a wide variety of manufacturing, including textiles, throughout the United States. AMTAC's office is in Washington, D.C.
www.amtacdc.org

NCTO is a not-for-profit trade association established to represent the entire spectrum of the United States textile sector, from fibers to yarns to fabrics to finished products, as well as suppliers in the textile machinery, chemical and other such sectors which have a stake in the prosperity and survival of the U.S. textile sector. Its headquarters are in Washington, D.C., and it also maintains an office in Gastonia, NC. www.ncto.org

NTA is a not-for-profit trade association of companies who knit or weave fabrics in the United States, dye, print or otherwise finish fabrics in the United States, or supply fibers, yarns, or other services to the American textile industry. NTA's office is in Boston, MA.
www.nationaltextile.org

UNITE HERE! was formed by a merger in 2004 of UNITE (formerly the Union of Needletrades, Textiles and Industrial Employees) and HERE (Hotel Employees and Restaurant Employees International Union). The union UNITE HERE represents more than 440,000 active members and more than 400,000 retirees throughout North America. UNITE HERE's headquarters are in New York, NY. www.unitehere.org

It is the strong view of the petitioners that the surge in January-March 2005 compared to January-March 2004 imports from China of cotton and man-made fiber curtains and drapery compounded with the long-term decline in U.S. production of these products constitutes market disruption under § 11.242 of the Report of the Working Party on the Accession of China to the World Trade Organization (WTO). This rise in imports and corresponding long-term decline in domestic production has produced a steady downward trend in the domestic market share for these products according to a survey conducted by NCTO to determine the quantity of curtains and drapery produced in the United States. The Office of Textiles and Apparel, International Trade Administration, U.S. Department of Commerce (OTEXA) does not collect production data for curtains and drapery.

The partial category 369/666 includes knit and woven curtains and drapery of cotton and manmade fiber as defined in the United States Harmonized Tariff Schedule.¹ Quotas on the subject products were removed in 2002 as part of the WTO quota phase-out. China's import share began to grow in 2001, but the growth since China's accession to the World Trade Organization in 2002 has been astronomical.

CITA is well aware of the circumstances following the integration of certain categories on January 1, 2002 in which China registered enormous increases and quickly moved to dominate trade. Following the same track, U.S. imports of cotton and man-made fiber curtains and drapery from China skyrocketed 544.29 percent from 2001 through 2004. Upon joining the WTO, China rapidly cemented its position as the top supplier to the U.S. market, with China's annual share of the U.S. import market rising from 25.98 percent in 2001 to 70.00 percent in calendar year 2004. Further, imports of the subject products from China were 36.8 percent higher in year-to-date March 2005 compared to year-to-date March 2004, boosting China's import share to 71.1 percent in the YTD March 2005 period.

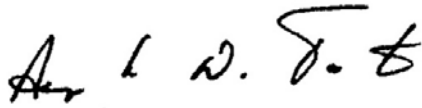
Imports of the subject products from China are priced below the average world price. A review of recent price data indicates that China's average price for cotton and man-made fiber curtains and drapery during the first quarter of 2005 was \$3.48 per unit, which is 12.34 percent lower than the average world price of \$3.97. China's massive price advantage is forcing U.S. producers and other foreign suppliers out of this market, resulting in China's domination of the import total and its growing share of the total domestic market.

¹ Partial categories 369/666 include the following USHTS subheadings: 6303.11.0000, 6303.12.0000, 6303.19.0010, 6303.91.0010, 6303.91.0020, 6303.92.1000, 6303.92.2010, 6303.92.2020, and 6303.99.0010.

In sum, surging low-priced imports from China are clearly disrupting the U.S. market for curtains and drapery included in Category 369/666 (partial). The language on safeguards in the U.S./China Protocol of Accession is based on language in the Multi-Fiber Agreement (MFA) and the WTO's Agreement on Textiles and Clothing (ATC). Both of those international agreements contained language providing for immediate action in the event of highly unusual and critical circumstances. We believe that current circumstances are such and that prompt action is necessary irrespective of the timelines in the CITA procedures.

Thank you for your consideration of this important matter.

Sincerely,



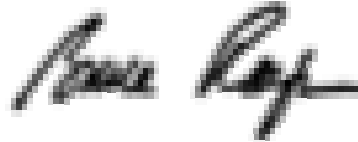
Auggie Tantillo
Executive Director
AMTAC



Cass Johnson
President
NCTO



Karl Spilhaus
President
NTA



Bruce Raynor
General President
UNITE HERE

Table 1: U.S. Production, Imports, and Domestic Market Share for Cotton and Man-Made Fiber Curtains and Drapery (Category 369/666) (partial²) 1999-2004

Time Period	U.S. Production (1,000 Units)	U.S. Imports	Imports From China (1,000 Units)	Domestic Market Share (Percent)	Import Market Share (Percent)	China Market Share (Percent)
1999	98,141	55,652	16,557	63.81	36.19	10.77
2000	92,572	78,000	17,834	54.27	45.73	10.46
2001	77,258	85,603	22,242	47.44	52.56	13.66
2002	75,156	138,190	54,874	35.23	64.77	25.72
2003	61,837	172,893	101,724	26.34	73.66	43.34
2004	52,813	204,692	143,300	20.51	79.49	55.65
YTD 3/04	13,893	47,071	31,357	22.79	77.21	51.44
YTD 3/05	5,139	60,311	42,881	7.85	92.15	65.52

Source: Production data from NCTO company survey³; Import data from USITC

² Partial categories 369/666 include the following USHTS subheadings: 6303.11.0000, 6303.12.0000, 6303.19.0010, 6303.91.0000, 6303.91.0010, 6303.91.0020, 6303.92.1000, 6303.92.2000, 6303.92.2010, 6303.92.2020, and 6303.99.0010.

³ Companies responding to the survey are included in a business confidential addendum. To the best of our knowledge, the data represent substantially all of the domestic production of the like or directly competitive products that are the subject of this petition.